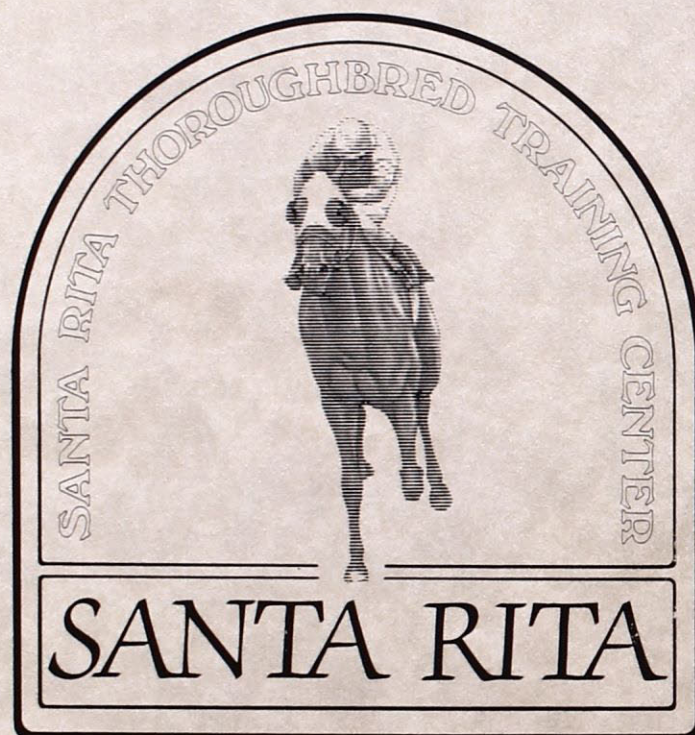




LOCATION
4501 WEST HIGHWAY 246
LOMPOC, CALIFORNIA



BUSINESS OFFICE
226 EAST DE LA GUERRA
SANTA BARBARA, CA 93101
(805) 966-3168, 966-3169

SANTA RITA THOROUGHBRED TRAINING CENTER

The following paragraphs and renderings are an overview of the Santa Rita Thoroughbred Training Center, Veterinary Complex, Equine Research Center and surrounding Community. This development is a project of a partnership between Campbell Enterprises and J. Galt Corporation.

We have spent more than four years acquiring contiguous acreage, forming partnerships and developing the concept of the thoroughbred community. Our investment group has made a cash commitment exceeding \$2 million and has signed \$3.4 million in notes. We own 975 acres outright, hold 1100 acres in joint ventures and control an additional 1200 acres through agreements with other owners concerning the development and CC&R's. We are negotiating for an additional 1500 acres. All of this land will be developed and sold as breeding ranches.

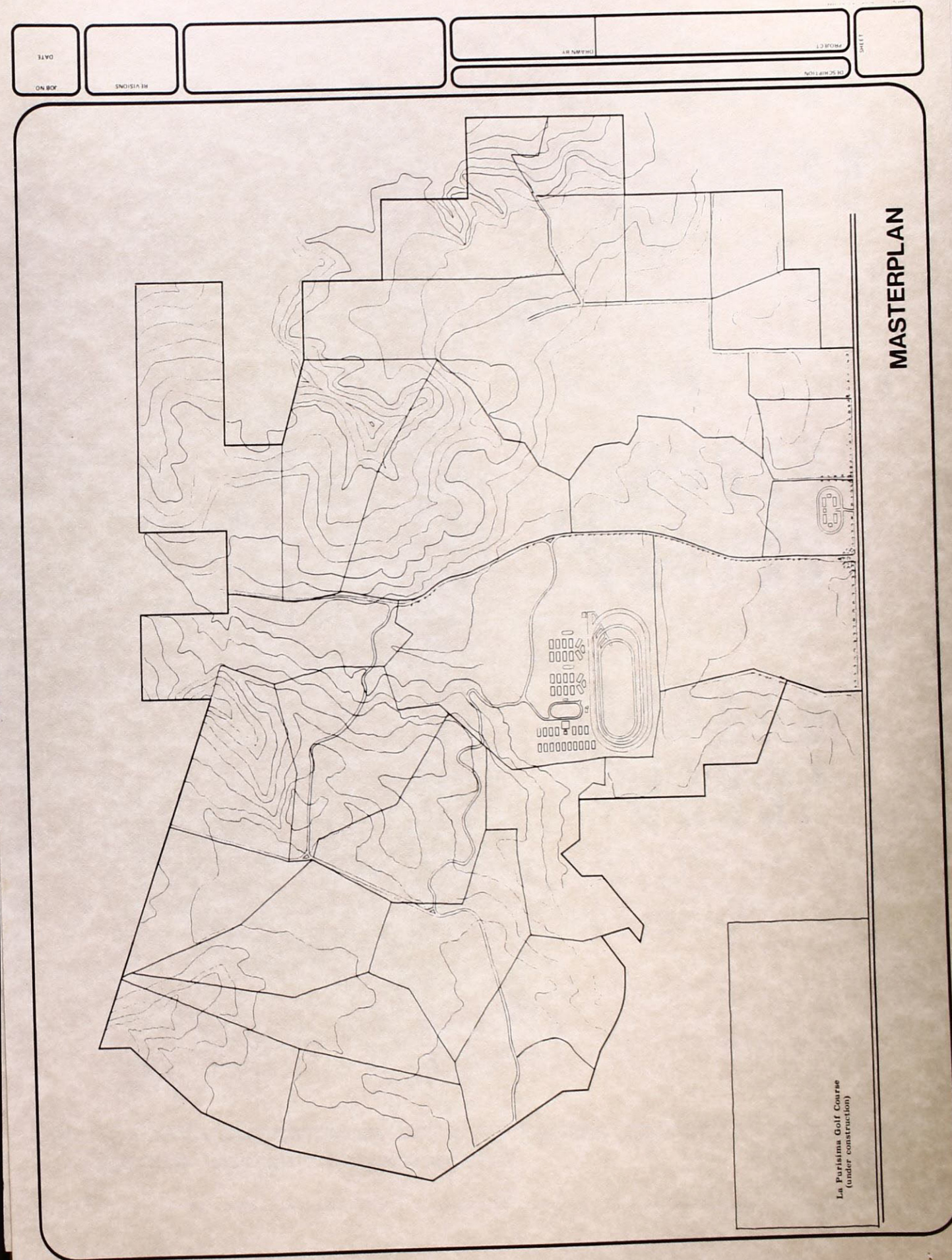
The original concept of the Training Center featured a one mile dirt track surrounded by barns and a main office building which contained facilities for trainers, veterinarians and associated support personnel. The track itself was typically "american" in design: a large, flat dirt track with slightly banked turns. We had anticipated that construction would begin in late 1984.

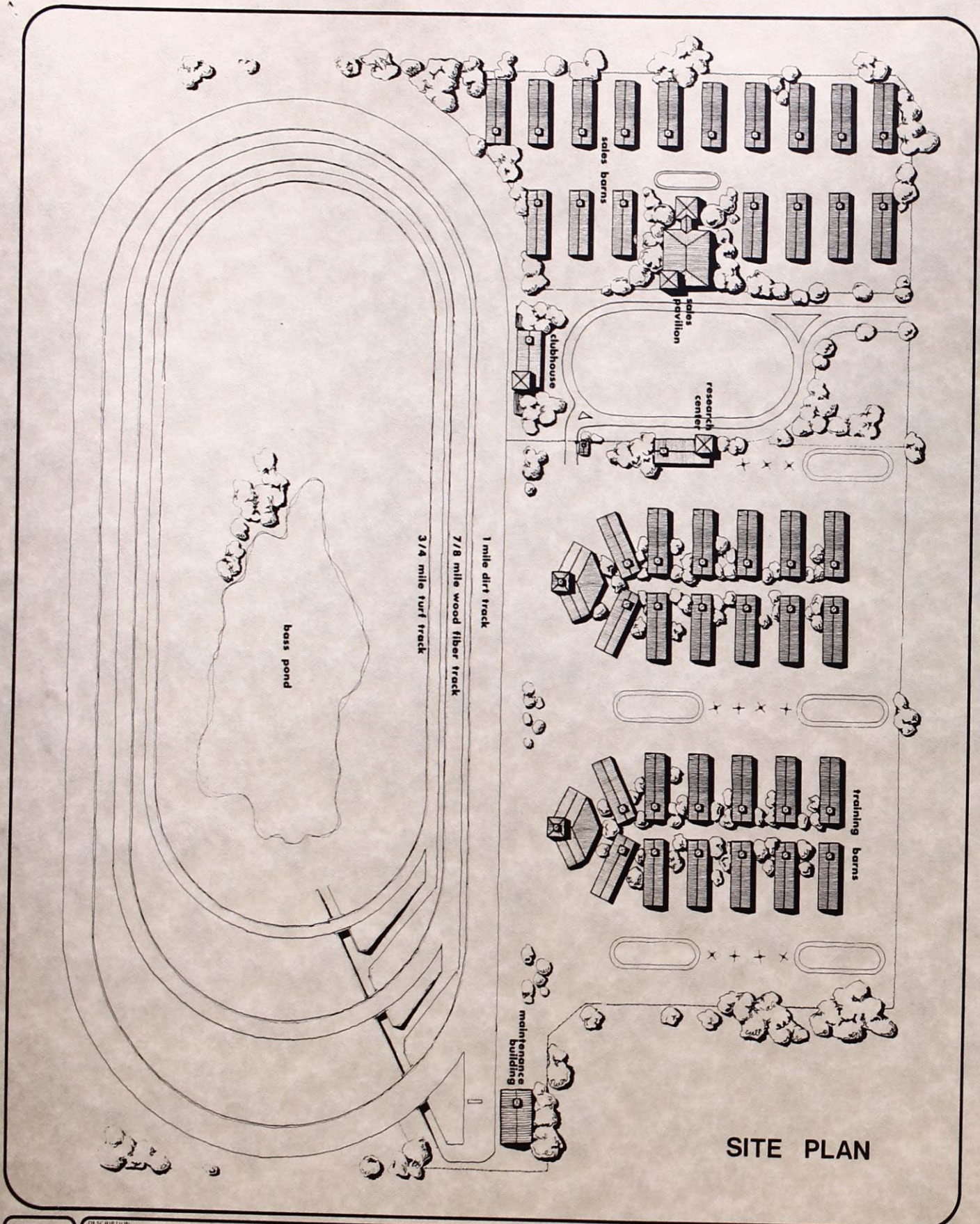
During the last year, however, a great deal of outside influence has entered into the project. The enormity of the project has attracted the interest of many throughout the thoroughbred industry and consequently, because of additional input and advice, we began to develop a very different perspective of the thoroughbred business. We no longer propose building a training center based only on tradition. It has been made very clear to us that there is much room for improvement and innovation in training methods and conditions and for further expansion of our concept.

As a result, we made substantial changes in the design of the Training Center and community. The first major revision involved a redesign and expansion to allow for an equine sales pavillion and a large veterinary complex. The sales pavillion will be capable of stalling 450 horses and will work in conjunction with the Training Center for the "horses of racing age" sales. This change required an entirely new layout of the facility to accomodate the more public areas of the pavillion within the high security Training Center. The veterinary complex will be located

The second major revision began when we were offered the opportunity to host a research center within our project. The center requires close proximity to a race track and a veterinary hospital. Various forms of data will be collected by research personnel through a coordinated effort between the veterinary complex and the Training Center. It will be analyzed at the research center with the focus being on the effects of training variables on the health and performance of the horses. Research will be aimed at reducing training and racing injuries and will develop and recommend new training methods.

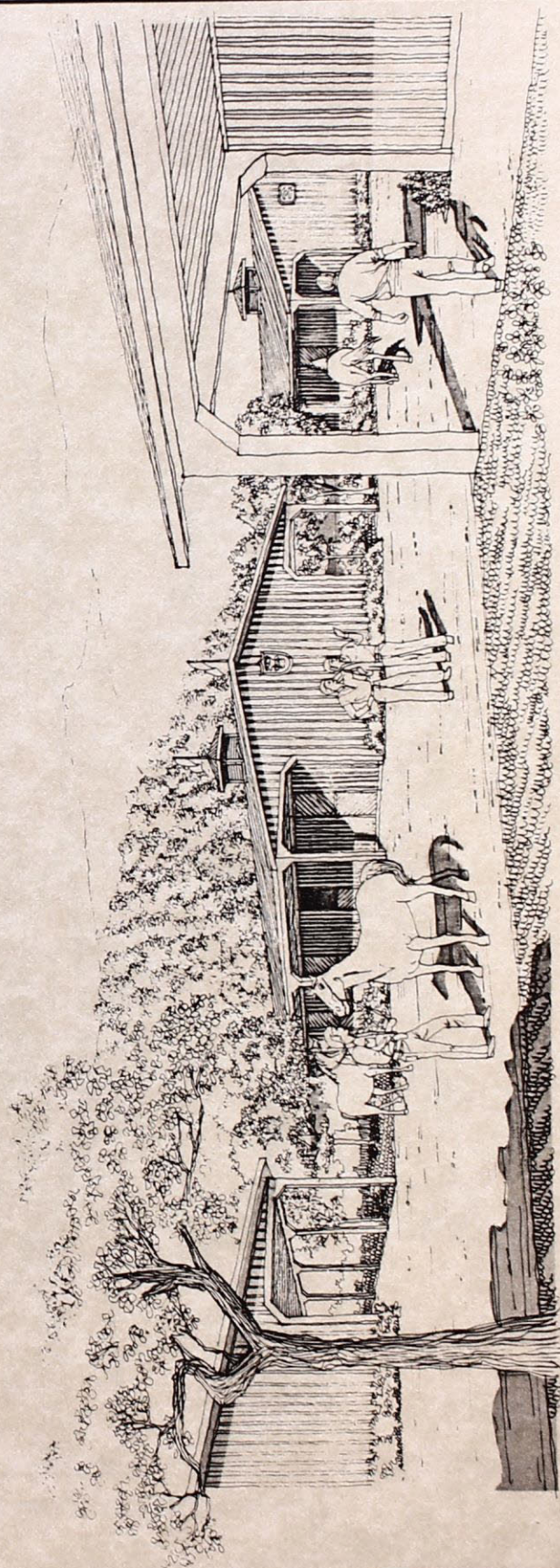
This final integration of the facilities at Santa Rita will augment our own commitment to apply the safer European type designs to our Training Center. Therefore, in addition to a standard, flat one mile dirt timing track with moderately banked turns as was originally planned, we will be offering a turf track and a sand track both with high banked turns. These additional tracks are intended to be less damaging to the training horses. A European influence will also be acknowledged in the up and down construction of these two tracks and with the addition of long cross country runs of 2.4 and 4.7 miles.



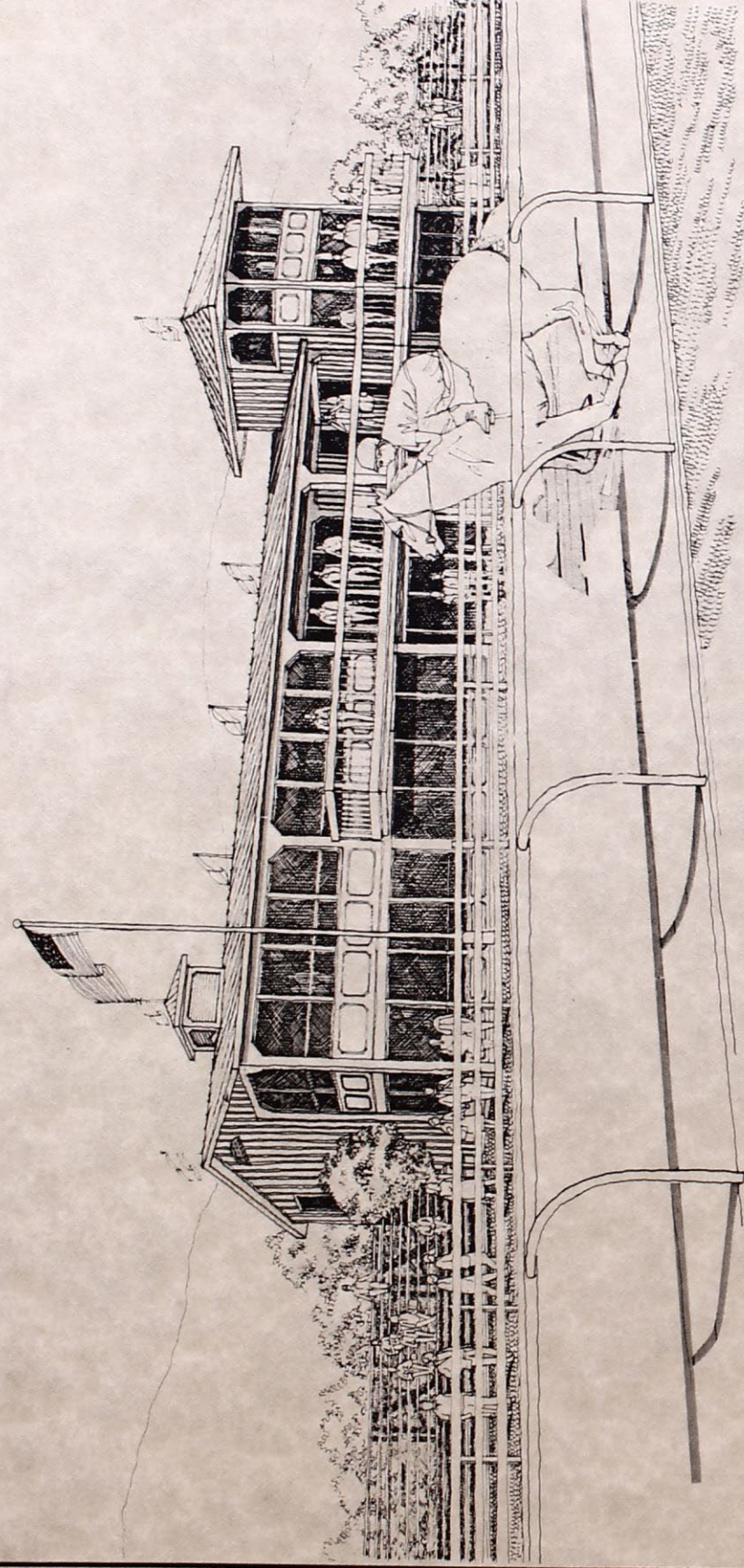


SHEET	DESCRIPTION	DRAWN BY	JOB NO.
	PROJECT		
REVISIONS			

JOB NO.	REVISIONS			DATE



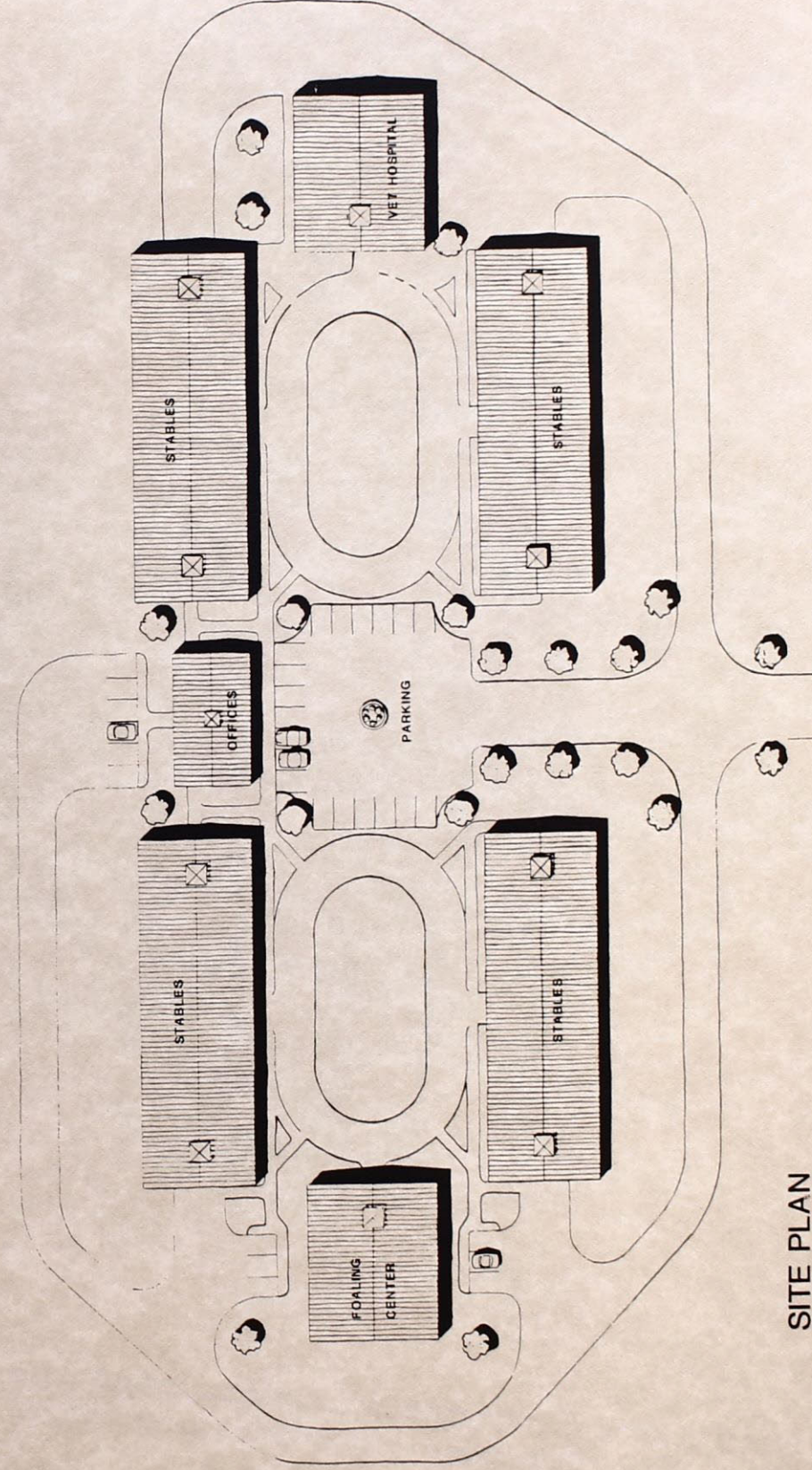
FACILITY STABLES



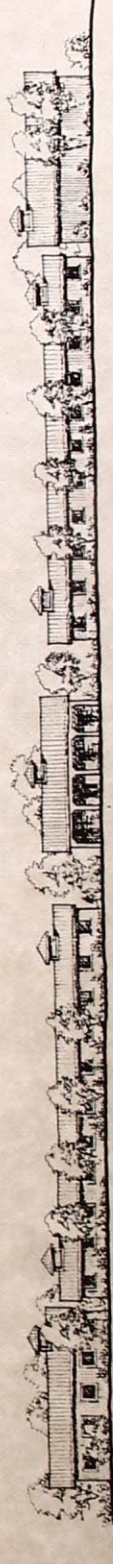
VIEW OF CLUBHOUSE/OFFICE BUILDING

DATE	REVISIONS	PROJECT	DESCRIPTION

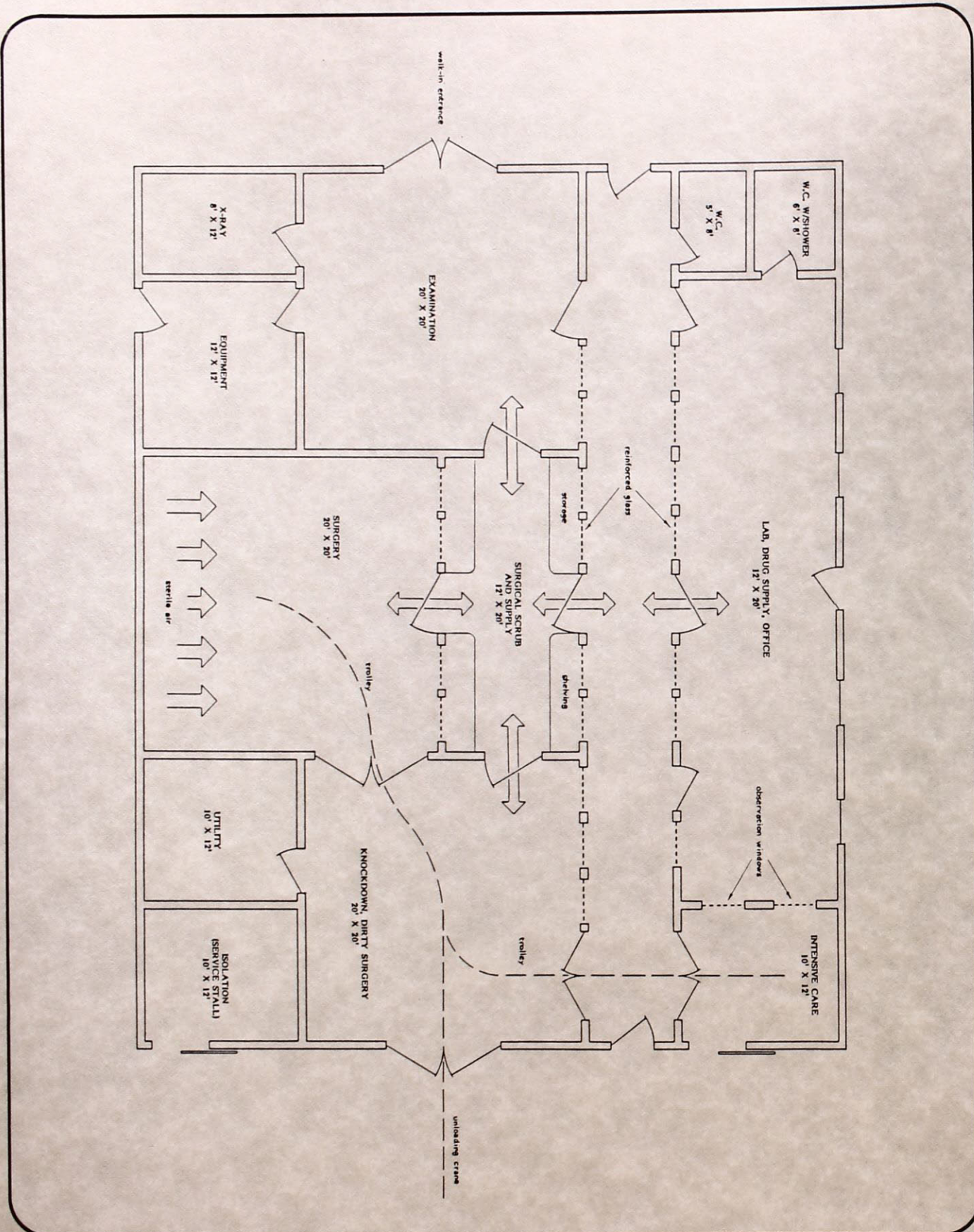
DATE	REVISIONS	PROJECT	DESCRIPTION



SITE PLAN



ELEVATION



LAY-UP CENTER

Initial conversations with trainers, breeders and horse owners during the formative stages of the Santa Rita thoroughbred concept revealed several major needs in the California thoroughbred industry. The Training Center, Sales Pavilion and Research Center are all part of a package designed to provide for some of these needed services in the glamorous front line of the industry. The package was designed for horses on the way up. The Veterinary Complex adds vital support to the community and is a legitimate project on its own.

Feedback that indicated sufficient demand for a lay-up facility did not occur until we approached the trainers individually for their design input on the Training Center. Their list of desirable training aids compiled through our meetings required no significant changes in our proposed facility layout. However, one of the most common complaints had not to do specifically with training but with the inadequate facilities and care available for the injured horses.

The majority of the lay-up services currently offered are actually no more than extended paddock or pasture stays where most injuries are not treated but expected to heal naturally. It is all too common for horses to return to training after a lay-up and have a reoccurrence of the same injury.

The Santa Rita Lay-Up Center will emphasise treatment, recovery and recondition of the horses. Extended care following surgeries will be provided for in clean 20 stall barns. 20% of the boarded horses are expected to be in these stalls. Approximately one half of the horses are expected to be (housed) in paddocks of a wide variety of sizes which will provide selectable freedom of mobility for each individual horse. The remainder of the horses will be in long term recovery pastures. Therapies will be handled by trained resident technicians and consulting veterinarians and will include massages, heat treatments, electromagnetic stimulation, etc. Reconditioning will be handled by several water treadmills and hot walkers.

The Lay-Up Center will be located on a 41 acre parcel adjacent to the Veterinary Center on Highway 246. X-rays and bone scan equipment will be available at the Vet Center as well as 24 hour additional vet care if needed.

THESE PROJECTIONS ARE BASED UPON ASSUMPTIONS MADE BY MANAGEMENT.

BECAUSE THE FACILITY HAS NO OPERATING HISTORY, NO ASSURANCES CAN

BE GIVEN THAT THESE PROJECTIONS WILL PROVE TO BE CORRECT.

Campbell/Galt is in the process of forming the Santa Rita Equine Lay-Up Center partnership. The purpose of the partnership is to build and operate a lay-up center on a 40.98 acre parcel in the Santa Ynez valley. Campbell/Galt is offering for sale 60% of this partnership for \$300,000.

Upon the sale of the 60% interest, the partnership will own the 40.98 acre parcel free and clear and borrow \$500,000 for the construction of the lay-up center. All the partners will have liability on the construction loan and eventual long-term financing. All partnership disbursements will be distributed in proportion to partnership percentage ownership. Any tax benefits derived from the construction of the facility, facility financing, operating losses or any other facility related event will be passed through to investors in the same proportions as the partnership distributions.

Following is a very brief outline of some of the pertinent financial information regarding the partnership. It is recommended that all interested parties also study the accompanying cash flow projections and support information for a more in depth look at the partnership.

	\$ 300,000	=	60%
LAND	\$ 410,000		
CONSTRUCTION	\$ 471,506		
COST OF FACILITY	\$ 881,506		
FACILITY VALUE*	\$1,117,259		

CASH FLOW AT VARIOUS LEVELS OF OCCUPANCY**

# OF HORSES	105	150	200
MONTHLY INCOME	\$ 46,333	\$ 68,983	\$ 96,329
MONTHLY EXPENSES	41,327	51,061	61,529
MONTHLY PROFIT	5,005	17,922	34,800
60% SHARE	3,003	10,753	20,880

* new value obtained by using rule that for every \$1 put into a horse related improvement value increases \$1.50. Rule based on estimates of valley real estate brokers.

** Numbers shown assume that the partnership is not continuing development to meet demand for additional facilities.

LAY-UP CENTER YEARLY CASH FLOW PROJECTIONS ① ②

1986

	JULY	AUGUST	SEPT	OCT	NOV	DEC	TOTALS
CASH BALANCE	0	511394	413826	200239	147427	122466	
RECEIPTS							
Capitalization ③	300000	0					300000
Loan Proceeds ④	500000	0					500000
Total Receipts	800000	0	0	0	0	0	800000
OPERATING RECEIPTS ⑤							
# Horses on Site			5	20	35	45	
Stall Rental 20%			324	1426	2838	4051	8639
Paddock Rental 50%			810	2484	4774	6769	14837
Pasture Rental 30%			162	713	1419	2026	4320
Therapy Fees			203	891	1752	2521	5367
Walker Rentals			90	396	788	1126	2400
Water Treadmills			252	1109	2207	3151	6719
	0	0	1841	7019	13778	19644	42282
Total Operating Receipts							
- 10% Allowance for Dbtfl Acct	0	0	1657	6317	12400	17680	38054
ADMINISTRATIVE DISBURSEMENTS							
Commissions	30000						30000
Organizational Fees ⑥	5000	25000	25000	25000			80000
Professional Services	4000	0		0	500	500	5000
Total Admin. Disbursements	39000	25000	25000	25000	500	500	115000
OPERATING DISBURSEMENTS							
Cost of Stall Rentals			60	240	420	540	1260
" " Paddock Rentals			123	490	858	1103	2574
" " Pasture Rentals			35	138	242	311	726
" " Therapy			64	255	446	574	1339
" " Walker Rentals			244	525	807	994	2570
" " Water Treadmill			720	1620	2520	3120	7980
Feed			300	1200	2100	2700	6300
Advertising ⑦			1000	3000	1000	0	5000
Salaries			2000	2000	2000	2000	8000
Utilities		200	225	275	350	415	1465
Security ⑧			1250	1250	1250	1250	5000
Taxes		300	900	1500	1500	1500	5700
Administrative ⑨			750	1500	1500	1500	5250
Management ⑩		1500	3000	3000	3000	3000	13500
Insurance	2000	2000	2000	2000	2000	2000	12000
Consulting ⑪		2000					2000
Maintenance							
Facilities	0	0	200	500	500	500	1700
Grounds			1200	1200	1200	1200	4800
Vehicle		700	700	700	700	700	3500
Debt Services (Prin. & Int.)							
Const. Loans		400	1505	3268	5000	5000	15173
Take Out Loans							0
Equipment		468	468	468	468	468	2340
Others							0
Total Operating Disbrsmnts	2000	7568	16744	25129	27861	28875	108177
PROPERTY AND DEVELOPMENT COSTS							
Land Payments	176606						176606
Other Down Payments	3000 ⑫						3000
Development Costs ⑬							
Grading	12000						12000
Fencing & Sheds	10000	20000	10000	5000	5000	5000	55000
Surfaces			5000				5000
Barns		20000	4000	4000	4000	4000	36000
Roads			40000				40000
Landscaping			3000				3000
Reservoir & Tank	5000	20000					25000
Manure Disposal			4000				4000
Water Well	30000						30000
Water Treadmills		5000	15000				20000
Electric Hookup	8000						8000
Surveys and Engrng	3000						3000
Plumbing and Irrigation		0	10000				10000
Therapy Equipment & Supp.			20000				20000
Hot Walkers			2500				2500
Grass Seed			20000				20000
Office			40000				40000
Total P & D Costs	247606	65000	173500	9000	9000	9000	513106
NET CASH FLOW	511394	-97568	-213587	-52812	-24961	-20695	101771
CASH BALANCE	511394	413826	200239	147427	122466	101771	

LAY-UP CENTER YEARLY CASH FLOW PROJECTIONS

1987

	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC	TOTALS
CASH BALANCE	101771	83478	70010	45866	40595	-31842	27348	30101	76488	83971	89239	104641	
RECEIPTS													
Capitalization													
Loan Proceeds								550173					550173
Total Receipts	0	0	0	0	0	0	0	550173	0	0	0	0	550173
OPERATING RECEIPTS													
# Horses on Site	55	65	75	85	95	105	115	125	135	140	145	150	
Stall Rental 20%	5161	6300	7380	8460	9540	10620	11700	12780	13860	14616	15243	15817	131477
Paddock Rental 50%	8648	10479	12298	14901	15903	17700	19499	21300	23109	24358	25395	26352	219942
Pasture Rental 30%	2592	3143	3686	4227	4771	5310	5849	6390	6933	7307	7619	7906	65733
Therapy Fees	3236	3927	4612	5286	5999	6641	7316	7993	8672	9134	9524	9883	82223
Walker Rentals	1440	1746	2049	2348	2651	2950	3249	3550	3851	4060	4233	4392	36519
Water Treadmills	4033	4889	5740	6576	7366	8260	9099	9940	10784	11367	11851	12298	102203
	25110	30484	35765	41798	46230	51481	56712	61953	67209	70842	73865	76648	638097
Total Operating Receipts													
- 10% Allowance for Dbtfl Acct	22599	27436	32189	37618	41607	46333	51041	55758	60488	63758	66479	68983	574287
ADMINISTRATIVE DISBURSEMENTS													
Commissions													0
Organizational Fees													0
Professional Services	500	500	500	500	500	500	500	500	500	500	500	500	6000
Total Admin. Disbursements	500	500	500	500	500	500	500	500	500	500	500	500	6000
OPERATING DISBURSEMENTS													
Cost of Stall Rentals	660	780	900	1020	1140	1260	1380	1500	1620	1680	1740	1800	15480
" " Paddock Rentals	1348	1593	1838	2083	2328	2573	2818	3063	3308	3430	3553	3675	31610
" " Pasture Rentals	380	449	518	587	656	725	794	863	932	966	1000	1035	8905
" " Therapy	701	829	956	1084	1211	1339	1466	1594	1721	1785	1849	1912	16447
" " Walker Rentals	1195	1395	1575	1765	1955	2145	2335	2525	2715	2810	2905	3000	26310
" " Water Treadmill	3720	4320	4920	5520	6120	6720	7320	7920	8520	8820	9120	9420	82440
Feed	3300	3900	4500	5100	5700	6300	6900	7500	8100	8400	8700	9000	77400
Advertising	500	0	500	0	500	0	500	0	500	0	500	0	3000
Salaries	2000	2000	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	26000
Utilities	470	530	595	625	645	660	670	680	690	700	710	720	7695
Security	1250	1250	1312	1312	1312	1312	1312	1312	1312	1312	1312	1312	15620
Taxes	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000
Administrative	1500	1500	1500	1575	1575	1575	1575	1575	1575	1575	1575	1575	18675
Management	3000	3000	3150	3150	3150	3150	3150	3150	3150	3150	3150	3150	37500
Insurance	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	24000
Consulting													0
Maintenance													
Facilities	500	500	500	500	500	500	500	500	500	500	500	500	6000
Grounds	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1300	1300	14600
Vehicle	700	700	700	700	700	700	700	700	700	700	700	700	8400
Debt Services (Prin. & Int.)													
Const. Loans	5000	5000	5000	5000	5000	5000	5000	50000	5794	5794	5794	5794	535000
Take Out Loans													28970
Equipment	468	468	468	468	468	468	468	468	468	468	468	468	5616
Others													0
Total Operating Disbrsmnts	31392	32904	35832	37389	39860	41327	43788	546044	48505	48990	50576	51061	1007668
PROPERTY AND DEVELOPMENT COSTS													
Land Payments													0
Other Down Payments													0
Development Costs													
Grading													0
Fencing & Sheds	5000	5000	5000	5000		5000		5000		5000		5000	40000
Surfaces													0
Barns	4000				10000	4000	4000	4000	4000	4000			34000
Roads													0
Landscaping													0
Reservoir & Tank													0
Manure Disposal									4000				4000
Water Well													0
Water Treadmills						15000							15000
Electric Hookup													0
Surveys and Engrng													0
Plumbing and Irrigation													0
Therapy Equipment & Supp.													0
Hot Walkers													2500
Grass Seed													0
Office													0
Total P & D Costs	9000	7500	20000	5000	10000	9000	4000	13000	4000	9000	0	5000	95500
NET CASH FLOW	-18293	-13468	-24144	-5271	-8753	-4494	2753	46387	7483	5268	15403	12422	15292
CASH BALANCE	83478	70010	45866	40595	31842	27348	30101	76488	83971	89239	104641	117063	

LAY-UP CENTER YEARLY CASH FLOW PROJECTIONS
1988

	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC	TOTALS
CASH BALANCE	117063	127883	133162	153791	171137	194387	214492	240516	263392	292188	317839	350106	
RECEIPTS													
Capitalization													0
Loan Proceeds													0
Total Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0
OPERATING RECEIPTS													
# Horses on Site	155	160	165	170	175	180	185	190	195	200	200	200	
Stall Rental 20%	16371	16916	17459	17999	18540	19080	19620	20160	20700	21240	21456	21542	231083
Paddock Rental 50%	27258	28195	29106	29988	30901	31784	32700	33584	34503	35399	36653	37687	387758
Pasture Rental 30%	8177	8459	8732	8996	9270	9535	9810	10075	10351	10619	10996	11306	116326
Therapy Fees	10223	10575	10917	11248	11591	11923	12267	12599	12944	13280	13416	13466	144449
Walker Rentals	4543	4699	4851	4998	5150	5297	5450	5597	5750	5899	6109	6281	64624
Water Treadmills	12720	13158	13583	13994	14421	14833	15260	15673	16102	16519	16887	16750	179700
	79292	82002	84648	87223	89873	92452	95107	97688	100350	102956	105317	107032	1123940
Total Operating Receipts													
- 10% Allowance for Dbtfl Acct	71363	73802	76183	78501	80886	83207	85596	87919	90315	92660	94785	96329	1011546
ADMINISTRATIVE DISBURSEMENTS													
Commissions													0
Organizational Fees													0
Professional Services	500	500	500	500	500	500	500	500	500	500	500	500	6000
Total Admin. Disbursements	500	500	500	500	500	500	500	500	500	500	500	500	6000
OPERATING DISBURSEMENTS													
Cost of Stall Rentals	1860	1920	1980	2040	2100	2160	2220	2280	2340	2400	2400	2400	26100
" " Paddock Rentals	3798	3920	4043	4165	4288	4410	4533	4655	4778	4900	4900	4900	53290
" " Pasture Rentals	1070	1104	1138	1173	1208	1242	1277	1311	1346	1380	1380	1380	15009
" " Therapy	1976	2040	2104	2168	2231	2295	2359	2423	2486	2550	2550	2550	27732
" " Walker Rentals	3095	3190	3285	3380	3475	3570	3665	3760	3855	3950	3950	3950	43125
" " Water Treadmill	9720	10020	10320	10620	10920	11220	11520	11820	12120	12420	12420	12420	135540
Feed	9300	9600	9900	10200	10500	10800	11100	11400	11700	12000	12000	12000	130500
Advertising	500	0	500	0	500	0	500	0	500	0	500	0	3000
Salaries	2200	2200	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400	28400
Utilities	725	730	735	735	740	730	725	720	720	735	745	755	8795
Security	1312	1312	1412	1412	1412	1412	1412	1412	1412	1412	1412	1412	16744
Taxes	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000
Administrative	1575	1575	1575	1700	1700	1700	1700	1700	1700	1700	1700	1700	20025
Management	3150	3150	3400	3400	3400	3400	3400	3400	3400	3400	3400	3400	40300
Insurance	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	24000
Consulting													0
Maintenance													
Facilities	500	500	500	500	500	500	500	500	500	500	500	500	6000
Grounds	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300	1300	15600
Vehicle	700	700	700	700	700	700	700	700	700	700	700	700	8400
Debt Services (Prin. & Int.)													
Const. Loans													0
Take Out Loans	5794	5794	5794	5794	5794	5794	5794	5794	5794	5794	5794	5794	69528
Equipment	468	468	468	468	468	468	468	468	468	468	468	468	5616
Others:													0
Total Operating Disbrsmnts	52543	53023	55054	55655	57136	57601	59073	59543	61019	61509	62019	61529	695704
PROPERTY AND DEVELOPMENT COSTS													
Land Payments													0
Other Down Payments													0
Development Costs													
Grading													0
Fencing & Sheds		5000		5000		5000		5000		5000			25000
Surfaces													0
Barns													0
Roads													0
Landscaping													0
Reservoir & Tank													0
Manure Disposal													0
Water Well													0
Water Treadmills	5000	10000											15000
Electric Hookup													0
Surveys and Engrng													0
Plumbing and Irrigation													0
Therapy Equipment & Supp.													0
Hot Walkers	2500												2500
Grass Seed													0
Office													0
Total P & D Costs	7500	15000	0	5000	0	5000	0	5000	0	5000	0	0	42500
NET CASH FLOW	10820	5279	20629	17348	23250	20106	26023	22876	28796	25651	32266	34300	267342
CASH BALANCE	127883	133162	153791	171137	194387	214492	240516	263392	292188	317839	350106	384405	

NOTES TO LAY-UP CENTER CASH FLOW PROJECTIONS

1. With regard to receipts; it is assumed that 60% of the receipts due will be received in the month the service is rendered. The balance of those due will come in the following month. It is also assumed that 10% of all receipts will never be received (see allowance for doubtful accounts).

2. With regard to costs incurred; it is assumed that all liabilities will be satisfied in whatever month they are incurred, excepting those items which are financed.

3. Funds received from sale of 60% of the partnership.

4. \$500,000 construction loan from P.C.A. Interest figured at 12% per annum. One year note, no points. C/G has several notes with P.C.A. with similar terms.

5. The following are descriptions of the services generating receipts for the Lay-Up Center.

Stall Rental: Stalls inside the barn; horses will be monitored as needed. These are the "intensive care" stalls. \$18/day fee includes feeding and daily stall cleaning.

Paddock Rental: Various sizes from 12' x 12' to 50' x 50' as is appropriate. Activity in the area is such that the horses in this area will be almost constantly watched. \$12/day fee includes feeding and daily stall cleaning.

Pasture Rental: Fenced pasture from 100' x 100' to several acres in size. \$6/day fee includes feeding and weekly pasture clean up.

It is assumed that the breakdown of horses in boarding be as follows: 20% in stalls, 50% in paddocks and 30% in pastures.

Therapy Fees: \$15/day charge includes laser use, blue boot use, wound dressing, bandage changes etc.

Walker Rental: \$2/day charge for use of hot walker.

Water Treadmill: \$7/day charge for use of water treadmill.

It is assumed that of the horses on site the following percentages would be using each service. Some horses will be using more than just one service.
15% Therapy 50% Hot Walkers 40% Water Treadmills

NOTES TO LAY-UP CENTER CASH FLOW PROJECTIONS

1. With regard to receipts; it is assumed that 60% of the receipts due will be received in the month the service is rendered. The balance of those due will come in the following month. It is also assumed that 10% of all receipts will never be received (see allowance for doubtful accounts).

2. With regard to costs incurred; it is assumed that all liabilities will be satisfied in whatever month they are incurred, excepting those items which are financed.

3. Funds received from sale of 60% of the partnership.

4. \$500,000 construction loan from P.C.A. Interest figured at 12% per annum. One year note, no points. C/G has several notes with P.C.A. with similar terms.

5. The following are descriptions of the services generating receipts for the Lay-Up Center.

Stall Rental: Stalls inside the barn; horses will be monitored as needed. These are the "intensive care" stalls. \$18/day fee includes feeding and daily stall cleaning.

Paddock Rental: Various sizes from 12' x 12' to 50' x 50' as is appropriate. Activity in the area is such that the horses in this area will be almost constantly watched. \$12/day fee includes feeding and daily stall cleaning.

Pasture Rental: Fenced pasture from 100' x 100' to several acres in size. \$6/day fee includes feeding and weekly pasture clean up.

It is assumed that the breakdown of horses in boarding be as follows: 20% in stalls, 50% in paddocks and 30% in pastures.

Therapy Fees: \$15/day charge includes laser use, blue boot use, wound dressing, bandage changes etc.

Walker Rental: \$2/day charge for use of hot walker.

Water Treadmill: \$7/day charge for use of water treadmill.

It is assumed that of the horses on site the following percentages would be using each service. Some horses will be using more than just one service.

15% Therapy 50% Hot Walkers 40% Water Treadmills

6. Paid to Campbell/Galt for reimbursement of expenses and for work as General Partner and General Contractor on the project.

7. Aside from a well funded grand opening type advertising layout, the budget for advertising has been kept comparatively low because the Lay-Up Center will receive so much free publicity due to its location and association with the attractions of the Santa Rita Thoroughbred Community.

8. Provision for a night watchman is shown, however we anticipate that rather than having manual security we can build security into the development with appropriate gating, fencing and alarms. Few if any lay-up centers have manual security as there is little problem with horse theft from this type of facility. Finally, the manager will be living on the premises and be able to handle any emergency or deter intruders.

9. Salary for the administrator or secretary at the facility.

10. Salary for the manager of the facility.

11. The budget for consulting has been kept very low and in all likelihood will be 0. This does not mean we will not be consulting. Over the past 5 years we have been developing excellent contacts within the thoroughbred industry; these people have been very helpful in information gathering and verification because of the tremendously positive impact we will have on the thoroughbred industry as a whole.

12. Down payment for a tractor and accessories and a trailer for manure handling (see debt service for monthly payments).

13. The development plan for the facility is to build the administrative and support areas first and construct the paddocks, stalls and service structures on an "on demand" basis.

14. \$27,348 is the lowest amount reached in our cash balance. This amount will therefore act as the reserve for building overruns or operating contingencies. If it should not be used it will, when deemed appropriate, be returned to the partners in the same manner as any partnership distribution.

15. Terms of the take out loan are assumed to be 12% interest, 25yr term, no points.